

Step (4): $\$40,000 - \$250 = \$39,750$

We will cover the \$39,750 loss in excess of the Deductible. No penalty applies.

- b. If one Limit of Insurance applies to two or more separate items, this condition will apply to the total of all property to which the limit applies.

Example No. 3:

When: The value of property is:

Building at Location No. 1	\$75,000
Building at Location No. 2	\$100,000
Personal Property at Location No. 2	\$75,000
	<u>\$250,000</u>
The Coinsurance percentage for it is	90%
The Limit of Insurance for Buildings and Personal Property at Location Nos. 1 and 2 is	\$180,000
The Deductible is	\$1,000
The amount of loss is Building at Location No. 2	\$30,000
Personal Property at Location No. 2.	\$20,000
	<u>\$50,000</u>

Step (1): $\$250,000 \times 90\% = \$225,000$ (the minimum amount of insurance to meet your Coinsurance requirements and to avoid the penalty shown below)

Step (2): $\$180,000$ divided by $\$225,000 = .80$

Step (3): $\$50,000 \times .80 = \$40,000$

Step (4): $\$40,000 - \$1,000 = \$39,000$

We will pay no more than \$39,000. The remaining \$11,000 is not covered.

2. Mortgage Holders

- a. The term "mortgage holder" includes trustee.
- b. We will pay for covered loss of or damage to buildings or structures to each mortgage holder shown in the Declarations in their order of precedence, as interests may appear.
- c. The mortgage holder has the right to receive loss payment even if the mortgage holder has started foreclosure or similar action on the building or structure.
- d. If we deny your claim because of your acts or because you have failed to comply with the terms of this Coverage Part, the mortgage holder will still have the right to receive loss payment if the mortgage holder:
 - 1) Pays any premium due under this Coverage Part at our request if you have failed to do so;
 - 2) Submits a signed, sworn statement of loss within sixty (60) days after receiving notice from us of your failure to do so; and
 - 3) Has notified us of any change in ownership, occupancy or substantial change in risk known to the mortgage holder.

All of the terms of this Coverage Part will then apply directly to the mortgage holder.

- e. If we pay the mortgage holder for any loss or damage and deny payment to you because of your acts or because you have failed to comply with the terms of this Coverage Part:

- 1) The mortgage holder's rights under the mortgage will be transferred to us to the extent of the amount we pay; and
- 2) The mortgage holder's right to recover the full amount of the mortgage holder's claim will not be impaired.

At our option, we may pay to the mortgage holder the whole principal on the mortgage plus any accrued interest. In this event, your mortgage and note will be transferred to us and you will pay your remaining mortgage debt to us.

- f. If we cancel this policy, we will give written notice to the mortgage holder at least:
 - 1) Ten (10) days before the effective date of cancellation if we cancel for your non-payment of premium; or
 - 2) Thirty (30) days before the effective date of cancellation if we cancel for any other reason.
- g. If we elect not to renew this policy, we will give written notice to the mortgage holder at least ten (10) days before the expiration date of this policy.

G. OPTIONAL COVERAGES *NS*

If shown in the Declarations, the following Optional Coverages apply separately to each item.

1. Agreed Value

- a. The Additional Condition, Coinsurance, does not apply to Covered Property to which this Optional Coverage applies. We will pay no more for loss of or damage to that property than the proportion that the Limit of Insurance under this Coverage Part for the property bears to the Agreed Value shown for it in the Declarations.
- b. If the expiration date for this Optional Coverage shown in the Declarations is not extended, the Additional Condition, Coinsurance, is reinstated and this Optional Coverage expires.
- c. The terms of this Optional Coverage apply only to loss or damage that occurs:
 - 1) On or after the effective date of this Optional Coverage; and
 - 2) Before the Agreed Value expiration date shown in the Declarations or the policy expiration date, whichever occurs first.

2. Inflation Guard *NS*

- a. The Limit of Insurance for property to which this Optional Coverage applied will automatically increase by the annual percentage shown in the Declarations.
- b. The amount of increase will be:
 - 1) The Limit of Insurance that applied on the most recent of the policy inception date, the policy anniversary date, or any other policy change amending the Limit of Insurance, times
 - 2) The percentage of annual increase shown in the Declarations, expressed as a decimal (example: 8% is .08), times
 - 3) The number of days since the beginning of the current policy year or the effective date of the most recent policy change amending the Limit of Insurance, divided by 365.

Example:

If: The applicable Limit of Insurance is	\$100,000
The annual percentage increase is	8%
The number of days since the beginning of the policy year (or last policy change) is	146

The amount of increase is $\$100,000 \times .08 \times 146$ divided by 365 =

\$3,200

3. Replacement Cost

- a. Replacement Cost (without deduction for depreciation) replaces Actual Cash Value in the Loss Condition, Valuation, of this Coverage Form.
- b. This Optional Coverage does not apply to;
 - 1) Property of others;
 - 2) Contents of a residence;
 - 3) Manuscripts;
 - 4) Works of art, antiques or rare articles, including etchings, pictures, statuary, marbles, bronzes, porcelains and bric-a-brac; or
 - 5) "Stock," unless the Including "Stock" option is shown in the Declarations.
- c. You may make a claim for loss or damage covered by this insurance on an actual cash value basis instead of on a replacement cost basis. In the event you elect to have loss or damage settled on an actual cash value basis, you may still make a claim for additional coverage this Optional Coverage provides if you notify us on your intent to do so within one hundred eighty (180) days after the loss or damage.
- d. We will not pay on a replacement cost basis for any loss or damage:
 - 1) Until the lost or damaged property is actually repaired or replaced; and
 - 2) Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage.
- e. We will not pay more for loss or damage on a replacement cost basis than the least of:
 - 1) The Limit of Insurance applicable to the lost or damaged property;
 - 2) The cost to replace, on the same premises, the lost or damaged property with other property:
 - a) Of comparable material and quality; and
 - b) Used for the same purpose; or
 - 3) The amount you actually spend that is necessary to repair or replace the lost or damaged property.

H. DEFINITIONS

1. "Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
2. "Stock" means merchandise held in storage or for sale, raw materials and in-process or finished goods, including supplies used in their packing or shipping.

ACCOUNTS RECEIVABLE COVERAGE FORM

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy, the words "you" and "your" refer to the Named Insured shown in the Declarations. The words "we," "us" and "our" refer to the Company providing this insurance.

Other words and phrases that appear in quotation marks have special meaning. Refer to Section E - DEFINITIONS.

A. COVERAGE**1. We will pay:**

- a. All amounts due from your customers that you are unable to collect;
- b. Interest charges on any loan required to offset amounts you are unable to collect pending our payment of these amounts;
- c. Collection expenses in excess of your normal collection expenses that are made necessary by the "loss;" and
- d. Other reasonable expenses that you incur to re-establish your records of accounts receivable; that result from Covered Causes of Loss to your records of accounts receivable.

2. PROPERTY NOT COVERED

Coverage does not apply to:

- a. Records of accounts receivable in storage away from the "premises" shown in the Declarations; or
- b. Contraband, or property in the course of illegal transportation or trade.

3. COVERED CAUSES OF LOSS

Covered Causes of Loss means RISKS OF DIRECT PHYSICAL "LOSS" to your records of accounts receivable except those causes of "loss" listed in the Exclusions.

4. ADDITIONAL COVERAGE - COLLAPSE

We will pay for direct "loss" caused by or resulting from risks of direct physical "loss" involving collapse of all or part of a building or structure caused by one or more of the following:

- a. Fire; lightning; windstorm; hail; explosion; smoke; aircraft; vehicles; riot; civil commotion; vandalism; breakage of glass; falling objects; weight of snow, ice or sleet; water damage; all only as covered in this Coverage Form;
- b. Hidden decay;
- c. Hidden insect or vermin damage;
- d. Weight of people or personal property;
- e. Weight of rain that collects on a roof;
- f. Use of defective materials or methods in construction, remodeling or renovation if the collapse occurs during the course of the construction, remodeling or renovation.

This Additional Coverage does not increase the Limits of Insurance provided in this Coverage Form.

5. COVERAGE EXTENSION

Removal

If you give us written notice within 10 days of removal of your records of accounts receivable because of imminent danger of "loss," we will pay for "loss" while they are:

- a. At a safe place away from your "premises;"
- b. Being taken to and returned from that place.

This Coverage Extension is included within the Limit of Insurance applicable to the "premises" from which the records of accounts receivable are removed.

B. EXCLUSIONS

1. We will not pay for "loss" caused directly or indirectly by any of the following. Such "loss" is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the "loss."

- a. GOVERNMENTAL ACTION

Seizure or destruction of property by order of governmental authority.

But we will pay for acts of destruction ordered by governmental authority and taken at the time of a fire to prevent its spread if the fire would be covered under this Coverage Form.

- b. NUCLEAR HAZARD

- 1) Any weapon employing atomic fission or fusion; or
- 2) Nuclear reaction or radiation, or radioactive contamination from any other cause. But we will pay for direct "loss" caused by resulting fire if the fire would be covered under this Coverage Form.

- c. WAR AND MILITARY ACTION

- 1) War, including undeclared or civil war;
- 2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- 3) Insurrection, rebellion, revolution, usurped power or action taken by governmental authority in hindering or defending against any of these.

2. We will not pay for a "loss" caused by or resulting from any of the following:

- a. Delay, loss of use, loss of market or any other consequential loss.
- b. Dishonest acts by you, anyone else with an interest in the records of accounts receivable, or your employees or authorized representatives, or anyone entrusted with the records of accounts receivable, whether or not acting alone or in collusion with other persons or occurring during the hours of employment.

But this exclusion does not apply to a carrier for hire.

- c. Alteration, falsification, concealment or destruction of records of accounts receivable done to conceal the wrongful giving, taking or withholding of money, securities or other property.

This exclusion applies only to the extent of the wrongful giving, taking or withholding.

- d. Bookkeeping, accounting or billing errors or omissions.
- e. Electrical or magnetic injury, disturbance or erasure of electronic recordings.

But we will pay for direct "loss" caused by lightning.

- f. Voluntary parting with any property by you or anyone entrusted with the property if induced to do so by any fraudulent scheme, trick, device or false pretense.
- g. Unauthorized instructions to transfer property to any person or to any place.
- 3. We will not pay for "loss" that requires any audit of records or any inventory computation to prove its factual existence.
- 4. We will not pay for a "loss" caused by or resulting from any of the following. But if "loss" by a Covered Cause of Loss results, we will pay for that resulting "loss."
 - a. Weather conditions. But this exclusion only applies if weather conditions contribute in any way with a cause or event excluded in paragraph 1. above to produce the "loss."
 - b. Acts or decisions, including the failure to act or decide, of any person, group, organization or governmental body.
 - c. Faulty, inadequate or defective:
 - 1) Planning, zoning, development, surveying, siting;
 - 2) Design, specifications, workmanship, repair, construction, renovation, remodeling, grading, compaction;
 - 3) Materials used in repair, construction, renovation or remodeling; or
 - 4) Maintenance;
 of part or all of any property wherever located.
 - d. Collapse except as provided in the Additional Coverage - Collapse section of this Coverage Form.

C. LIMITS OF INSURANCE

The most we will pay for "loss" in any one occurrence is the applicable Limit of Insurance shown in the Declarations.

D. ADDITIONAL CONDITIONS

The following conditions apply in addition to the Commercial Inland Marine Conditions and the Common Policy Conditions:

1. COVERAGE TERRITORY

We cover records of accounts receivable:

- a. Within your "premises;" and
- b. Away from your "premises" while in transit or within premises of others if those premises are located or the transit is within:
 - 1) The United States of America;
 - 2) Puerto Rico; and
 - 3) Canada.

2. DETERMINATION OF RECEIVABLES

General Condition E. Valuation in the Commercial Inland Marine Conditions is replaced by the following:

- a. If you cannot accurately establish the amount of accounts receivable outstanding as of the time of "loss," the following method will be used:

- 1) Determine the total of the average monthly amounts of accounts receivable for the 12 months immediately preceding the month in which the "loss" occurs; and
 - 2) Adjust that total for any normal fluctuations in the amount of accounts receivable for the month in which the "loss" occurred or for any demonstrated variance from the average for that month.
- b. The following will be deducted from the total amount of accounts receivable, however that amount is established:
- 1) The amount of the accounts for which there is no "loss;"
 - 2) The amount of the accounts that you are able to re-establish or collect; and
 - 3) An amount to allow for probable bad debts that you are normally unable to collect; and
 - 4) All unearned interest and service charges.

3. COINSURANCE

All accounts receivable, except those in transit, must be insured for at least 80% of their total value as of the time of "loss" or you will incur a penalty.

The penalty is that we will pay only the proportion of any "loss" that the Limit of Insurance shown in the Declarations for Coverage Applicable at All Locations bears to 80% of the total value of all accounts receivable at all locations as of the time of "loss." This penalty will not apply to records of accounts receivable in transit, interest charges, excess collection expenses or expenses to re-establish your records of accounts receivable.

4. PROTECTION OF RECORDS

Whenever you are not open for business, and except while you are actually using the records, you must keep all records of accounts receivable in receptacles that are described in the Declarations.

5. RECOVERIES

The following is added to Commercial Inland Marine Loss Condition 1. Recoveries:

You will pay us the amount of all recoveries you receive for a "loss" paid by us. But any recoveries in excess of the amount we have paid belong to you.

E. DEFINITIONS

1. "Loss" means accidental loss or damage.
2. "Premises" means that interior portion of the building at the address shown in the Declarations that you occupy for your business.

VALUABLE PAPERS AND RECORDS COVERAGE FORM

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy, the words "you" and "your" refer to the Named Insured shown in the Declarations. The words "we," "us" and "our" refer to the Company providing this insurance.

Other words and phrases that appear in quotation marks have special meaning. Refer to Section F - DEFINITIONS.

A. COVERAGE

We will pay for "loss" to Covered Property from any of the Covered Causes of Loss.

1. **COVERED PROPERTY**, as used in this Coverage Form, means "valuable papers and records" that are your property or property of others in your care; custody or control.

2. **PROPERTY NOT COVERED**

Covered Property does not include:

- a. Property not specifically declared and described in the Declarations if such property cannot be replaced with other property of like kind quality;
- b. Property held as samples or for delivery after sale;
- c. Property in storage away from the "premises" shown in the Declarations; or
- d. Contraband, or property in the course of illegal transportation or trade.

3. **COVERED CAUSES OF LOSS**

Covered Causes of Loss means RISKS OF DIRECT PHYSICAL "LOSS" to Covered Property except those causes of "loss" listed in the Exclusions.

4. **ADDITIONAL COVERAGE - COLLAPSE**

We will pay for direct "loss" caused by or resulting from risks of direct physical "loss" involving collapse of all or part of a building or structure caused by one or more of the following:

- a. Fire; lightning; windstorm; hail; explosion; smoke; aircraft; vehicles; riot; civil commotion; vandalism; breakage of glass; falling objects; weight of snow, ice or sleet; water damage; all only as covered in this Coverage Form;
- b. Hidden decay;
- c. Hidden insect or vermin damage;
- d. Weight of people or personal property;
- e. Weight of rain that collects on a roof;
- f. Use of defective materials or methods in construction, remodeling or renovation if the collapse occurs during the course of the construction, remodeling or renovation.

This Additional Coverage does not increase the Limits of Insurance provided in this Coverage Form.

5. **COVERAGE EXTENSIONS**

- a. **Removal**

If you give us written notice within 10 days of removal of your "valuable papers and records" because of imminent danger of "loss," we will pay for "loss" while it is:

- 1) At a safe place away from your "premises;" or

- 2) Being taken to and returned from that place.

This Coverage Extension is included within the Limits of Insurance applicable to the "premises" from which the Covered Property is removed.

b. Away From Your Premises

We will pay up to \$5,000 for "loss" to Covered Property while it is away from your "premises."

But if a higher Limit of Insurance is specified in the Declarations, the higher limit will apply.

The limit for this Coverage Extension is additional insurance.

B. EXCLUSIONS

1. We will not pay for a "loss" caused directly or indirectly by any of the following. Such "loss" is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the "loss."

a. GOVERNMENTAL ACTION

Seizure or destruction of property by order of governmental authority.

But we will pay for acts of destruction ordered by governmental authority and taken at the time of a fire to prevent its spread if the fire would be covered under this Coverage Form.

b. NUCLEAR HAZARD

- 1) Any weapon employing atomic fission or fusion; or
- 2) Nuclear reaction or radiation, or radioactive contamination from any other cause. But we will pay for direct "loss" caused by resulting fire if the fire would be covered under this Coverage Form.

c. WAR AND MILITARY ACTION

- 1) War, including undeclared or civil war;
- 2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- 3) Insurrection, rebellion, revolution, usurped power or action taken by governmental authority in hindering or defending against any of these.

2. We will not pay for a "loss" caused by or resulting from any of the following:

- a. Delay, loss of use, loss of market or any other consequential loss.
- b. Dishonest acts by you, anyone else with an interest in the property, or your or their employees or authorized representatives, or anyone entrusted with the property, whether or not acting alone or in collusion with other persons or occurring during the hours of employment.

But this exclusion does not apply to a carrier for hire.

- c. Errors or omissions in processing or copying.

But we will pay for direct "loss" caused by resulting fire or explosion if these causes of "loss" would be covered by this Coverage Form.

- d. Electrical or magnetic injury, disturbance or erasure of electronic recordings.

But we will pay for direct "loss" caused by lightning.

- e. Voluntary parting with any property by you or anyone entrusted with the property if induced to do so by any fraudulent scheme, trick, device or false pretense.

- f. Unauthorized instructions to transfer property to any person or to any place.
- 3. We will not pay for a "loss" caused by or resulting from any of the following. But if "loss" by a Covered Cause of Loss results, we will pay for that resulting "loss."
 - a. Weather conditions. But this exclusion only applies if weather conditions contribute in any way with a cause or event excluded in paragraph 1. above to produce the "loss."
 - b. Acts or decisions, including the failure to act or decide, of any person, group, organization or governmental body.
 - c. Faulty, inadequate or defective:
 - 1) Planning, zoning, development, surveying, siting;
 - 2) Design, specifications, workmanship, repair, construction, renovation, remodeling, grading, compaction;
 - 3) Materials used in repair, construction, renovation or remodeling; or
 - 4) Maintenance;
 of part or all of any property wherever located.
 - d. Collapse except as provided in the Additional Coverage - Collapse section of this Coverage Form.
 - e. Wear and tear, any quality in the property that causes it to damage or destroy itself, gradual deterioration; insects, vermin or rodents.

C. LIMITS OF INSURANCE

The most we will pay for "loss" in any one occurrence is the applicable Limit of Insurance shown in the Declarations.

D. DEDUCTIBLE

We will not pay for "loss" in any one occurrence until the amount of the adjusted "loss" before applying the applicable Limits of Insurance exceeds the Deductible shown in the Declarations. We will then pay the amount of the adjusted "loss" in excess of the Deductible, up to the applicable Limit of Insurance.

E. ADDITIONAL CONDITIONS

The following conditions apply in addition to the Commercial Inland Marine Conditions and the Common Policy Conditions:

1. COVERAGE TERRITORY

We cover property:

- a. Within your "premises;" and
- b. Away from your "premises" while in transit or within premises of others if those premises are located or the transit is within:
 - 1) The United States of America;
 - 2) Puerto Rico; and
 - 3) Canada.

2. VALUATION - SPECIFICALLY DECLARED ITEMS

The following is added to Commercial Inland Marine General Condition E. Valuation:

The value of each item of property that is specifically declared and described in the Declarations is the applicable Limit of Insurance shown in the Declarations for that item.

3. PROTECTION OF RECORDS

Whenever you are not open for business, and except while you are actually using the property, you must keep all "valuable papers and records" in receptacles that are described in the Declarations.

4. RECOVERIES

The following is added to Commercial Inland Marine Loss Condition 1. Recoveries:

If either you or we recover any property after loss settlement, that party must give the other prompt notice. At your option, the property will be returned to you. If so, your "loss" will be readjusted based on the amount you received for the property recovered, with allowance for recovery expenses incurred.

F. DEFINITIONS

1. "Loss" means accidental loss or damage.
2. "Valuable papers and records" means inscribed, printed or written documents, manuscripts or records, including abstracts, books, deeds, drawings, films, maps or mortgages.

But "valuable papers and records" does not mean "money" or "securities," converted data, programs or instructions used in your data processing operations, including the materials on which the data is recorded.
3. "Premises" means that interior portion of the building at the address shown in the Declarations that you occupy for your business.
4. "Money" means:
 - a. Currency, coins and bank notes whether or not in current use; and
 - b. Travelers checks, register checks and money orders held for sale to the public.
5. "Securities" means negotiable and non-negotiable instruments or contracts representing either "money" or other property and includes:
 - a. Tokens, tickets, revenue and other stamps whether or not in current use; and
 - b. Evidences of debt issued in connection with credit or charge cards, which cards are not of your own issue;but does not include "money."

TRANSPORTATION FORM

Inland Marine

Attached to and forming part of Policy No. 1374229 Exp. Date 06/22/2005Issued to WYNN RESORTS, L.L.C.

1. This Policy covers on lawful goods and merchandise of the Insured or held by them in trust or on commission or on consignment or property of others for which the Insured may be liable or on which they have made advances.
2. This Policy covers the property insured while in due course of transit only at risk of the Insured within and between the States of the United States, the District of Columbia and Canada, excluding Alaska and Hawaii, from the time the property leaves the store, warehouse or factory at initial point of shipment and continuously thereafter, including while on docks, wharves, piers, bulkheads, depots, stations or platforms, until delivered at the store, warehouse or factory at destination.
3. This Company's liability under this policy shall not exceed:
 - ✓ (a) \$250,000 while in the custody of any Truckman or Trucking Company;
 - ✓ (b) \$250,000 while in the custody of any Railroad or the Railway, Express Agency (including while on ferries and/or in railroad cars on transfers or lighters);
 - ✓ (c) \$250,000 while in the custody of a Scheduled Air Transportation Carrier;
 - ✓ (d) \$250,000 while in trucks, trailers or semi-trailers owned, leased or operated by or for the Insured;
 - (e) \$NOT COVERED while in the custody of messengers or while contained in or on hand carts, hand trucks or taxicabs.
- ✓ In no event shall this Company be liable for more than \$250,000 in any one casualty, either in case of partial or total loss, or salvage charges, or any other charges, or expenses, or all combined.
4. **THIS POLICY INSURES:**
Against all risks of direct physical loss of or damage to the insured property from any external cause (including General Average and/or salvage charges and expenses), except as herein excluded.
5. **THIS POLICY DOES NOT INSURE:**
 - (a) Accounts, bills, bullion, coins, currency, deeds, evidences of debt, money, notes, securities, stamps, precious stones, fine arts or jewelry;
 - (b) Against loss or damage resulting from inadequate packing or improper preparation for shipment or from insecure stowage when not stowed by the carrier;
 - (c) Against loss or damage by insects, vermin, moths, rodents, worms and other buglike creatures including larvae or pupae thereof leakage, evaporation, shrinkage, wetness or dampness, contamination, change in color, odor, texture or finish, extremes or changes of temperature including freezing, breakage, marring, chipping, denting, scratching, or by being scented, molded, rusted, rotted, soured or changed in flavor unless caused by fire, lightning, windstorm, vandalism and malicious mischief, flood, explosion or collision, or derailment or overturning of vehicle while on land, or collision, derailment or overturning of vehicle while on land, or collision or crashing of aircraft while in flight, or by the vessel, craft or lighter being stranded, sunk, burned or in collision while waterborne;
 - (d) Against loss, damage or expense caused by or resulting from delay, loss of market, loss of use, inherent vice or gradual deterioration;
 - (e) Against loss, damage or expense caused by or resulting from strikes, lockouts, labor disturbances, riots, civil commotion's, or the acts of any persons taking part in any such occurrence or disorder;
 - (f) Import shipments except only after Marine Insurance has ceased to cover, nor export shipments after laden on board export conveyance or under the protection of marine Insurance, whichever first occurs;
 - (g) Shipments by mail or parcel post;
 - (h) Animals, unless specifically named herein, and then only against death or destruction resulting from or made necessary as consequence of a peril insured against;
 - (i) Against loss caused by neglect of the Insured to use all reasonable means to save and preserve the property at and after any disaster insured against;

- (j) Against loss, damage or expense caused by or resulting from infidelity and dishonesty either or both of any person or persons in employment or service of the Insured, whether during regular hours of Employment or not (carriers for hire except);
- (k) Against loss or damage caused by or resulting from (1) hostile or warlike action in time of peace or war, including action in hindering combating or defending against an actual, impending, or expected attack, (a) by any government or sovereign power (de jure or de facto), or by any authority maintaining or using military, naval or air forces; or (b) by military, naval or air forces; or (c) by an agent of any such government, power, authority or forces; (2) any weapon of war employing atomic fission or radioactive force whether in time of peace or war; (3) insurrection, rebellion, revolution, civil war, usurped power; or action taken by governmental authority in hindering, combating or defending against such an occurrence, seizure or destruction under quarantine or Customs regulations, confiscation by order of any government or public authority, or risks of contraband or illegal transportation or trade;
- (l) Against loss by nuclear reaction or nuclear radiation or radioactive contamination, all whether controlled or uncontrolled, and whether such loss be direct or indirect, proximate or remote, or be in whole or in part caused by, contributed to, or aggravated by the peril(s) insured against in this policy; however, subject to the foregoing and all provisions of this policy, direct loss by fire resulting from nuclear reaction or nuclear radiation or radioactive contamination is insured against by this policy;

6. VALUATION:

The property shall be valued at actual invoice cost, including prepaid or advanced freight, if any, together with such costs and charges (including the commission of the insured as selling agent, but excluding duty) as may have accrued and become legally due thereon. In the event of there being no invoice, the valuation of the merchandise insured hereunder shall be the actual cash market value of the property insured at point of destination on the date of disaster.

7. PREMIUM READJUSTMENT AND REPORT OF SHIPMENTS:

The premium charged under this policy is based on an estimate of \$ Included value of shipment during the period insured, and the Insured warrants to report to this Company at the end of N/A (policy year, unless otherwise specified) the actual value of all shipments (in accordance with the valuation clause contained in this policy) covered hereunder during the period for which such report is required, and upon the total of all reported shipments exceeding in the aggregate the said estimated value the Insured agrees to pay this Company additional premium at the rate of N/A per \$100.00, such additional premium to become due and payable to this Company immediately upon the furnishing of the aforesaid report or reports; but in the event of the actual shipments falling short of the said estimated value then this Company will return premium at the same rate on the deficiency, but no return premium shall become due or payable until the expiration of this policy.

8. CLAIM AGAINST CARRIER:

In the event of any loss or damage to the goods and/or merchandise insured hereunder the Insured shall immediately make claim in writing against the carrier or carriers involved.

9. DEDUCTIBLE:

Each claim for loss or damage (separately occurring), shall be adjusted separately and from the amount of each adjusted claim or the applicable limit of liability, whichever is less, the sum of \$10,000 shall be deducted. In the event of any recovery or salvage on a loss which has been or is being or is about to be paid hereunder, such recovery or salvage shall accrue entirely to the benefit of the Company under this policy until the sum paid by them has been made up.

CONDITIONS

10. OTHER INSURANCE:

If at the time of loss or damage there is available to a named or unnamed insured or any other interested party any other insurance which would apply in the absence of this policy, the insurance under this policy shall apply only as excess insurance over such other insurance.

11. IMPAIRMENT OF RECOVERY RIGHTS:

Any act or agreement by the Insured before or after loss or damage whereby any right of the Insured to recover in whole or in part for loss or damage to property covered hereunder against any carrier, bailee

or other party liable therefor, is released, impaired or lost, shall render this policy null and void, but the Insurer's right to retain or recover the premium shall not be affected. The Company is not liable for any loss or damage which, without its written consent, has been settled or compromised by the Insured. It shall, however, be permissible for the Insured without prejudice to this insurance, to accept the ordinary Bills of Lading or Shipping Receipts issued by carriers limiting their liability to less than the actual value.

12. NO BENEFIT TO BAILEE:

This insurance shall in no wise inure directly or indirectly to the benefit of any carrier or other bailee.

13. NOTICE OF LOSS:

The Insured shall as soon as practicable report in writing the Company or its agent every loss, damage or occurrence which may give rise to a claim under this policy and shall also file with the Company or its agent within ninety (90) days from date of discovery of such loss, damage or occurrence, a detailed sworn proof of loss.

14. SETTLEMENT OF LOSS:

All adjusted claims shall be paid or made good to the Insured within sixty (60) days after presentation and acceptance of satisfactory proof of interest and loss at the office of the Company. No loss shall be paid or made good if the Insured has collected the same from others.

15. COMPANY'S OPTIONS:

It shall be optional with the Company to take all, or any part, of the property at the agreed or appraised value, or to repair, rebuild or replace the property destroyed or damaged with other of like kind and quality within a reasonable time, or giving notice of its intention so to do within sixty (60) days after the receipt of the proof of loss herein required.

16. SUE & LABOR:

In the event of loss of or damage to the property covered hereunder, it shall be lawful and necessary for the Insured or his or their factors, servants or assigns to sue, labor and travel for, in and about the defense, safeguard and recovery of the said property or any part thereof without prejudice to this insurance or waiver of the Insured's rights hereunder.

17. SEPARATION OF DAMAGED GOODS:

It shall be the duty of the Insured or of the agents, factors or consignees of the Insured to separate, in case of loss the sound from the damaged merchandise and/or goods. The liability of this Company hereunder being limited to the loss, by the risks and perils hereby insured against, on the damaged portion only.

18. CLAIMS AGAINST THIRD PARTIES:

In the event of any loss or damage to the property covered hereunder the Insured shall immediately make claim in writing against the carrier(s), bailee(s) or others involved.

19. APPRAISAL:

If the Insured and the Company fail to agree as to the amount of loss, each shall, on the written demand of either, made within sixty (60) days after receipt of proof of loss by the Company, select a competent and disinterested appraiser, and the appraisal shall be made at a reasonable time and place. The appraisers shall first select a competent and disinterested umpire, and failing for fifteen (15) days to agree upon such umpire, then, on the request of the Insured or the Company, such umpire shall be selected by a judge of a court of record in the State in which such appraisal is pending. The appraisers shall then appraise the loss stating separately the actual cash value at the time of loss and the amount of loss, failing to agree shall submit their differences to the umpire. An award in writing of any two shall determine the amount of loss. The Insured and the Company shall each pay his or its chosen appraiser and shall bear equally the other expenses of the appraisal and umpire. The Company shall not be held to have waived any of its rights by any act relating to appraisal.

20. EXAMINATION UNDER OATH:

The Insured, as often as may be reasonable required, shall exhibit to any person designated by the Company all that remains of any property herein described, and shall submit, and in so far as is within

his or their power cause his or their employees, members of the household and others to submit to examinations under oath by any person named by the Company and subscribe the same; and, as often as may be reasonable required, shall produce for examination all writings, books of account, bills, invoices and other vouchers, or certified copies thereof if originals be lost, at such reasonable time and place as may be designated by the Company or its representative, and shall permit extracts and copies thereof to be made. No such examination under oath or examination of books or documents, nor any other act of the Company or any of its employees or representatives in connection with the investigation of any loss or claim hereunder, shall be deemed a waiver of any defense which the Company might otherwise have with respect to any loss or claim, but all such examinations and acts shall be deemed to have been made or done without prejudice to the Company's liability.

21. SUIT:

No suit, action or proceeding for the recovery of any claim under this policy shall be sustainable in any court of law or equity unless the same be commenced within twelve (12) months next after discovery by the Insured of the occurrence which gives rise to the claim, provided however, that if by the laws of the State within which this policy is issued such limitation is invalid, then any such claims shall be void unless such actions, suite or proceeding be commenced within the shortest limit of time permitted by the laws of such State.

22. MACHINERY:

In the event of loss of or damage to machinery consisting, when complete for sale or use, of several parts, the Company shall only be liable for the value of the part(s) lost or damaged, including the cost of installation.

23. LABELS:

In the event of loss of or damage to labels, capsules or wrappers, the loss shall be adjusted on the basis of an amount sufficient to pay the cost of new labels, capsules or wrappers.

24. SUBROGATION OR LOAN:

If in the event of loss or damage the Insured shall acquire any right of action against any individual, firm or corporation for loss of, or damage to, property covered hereunder, the Insured will, if requested by the Company, assign and transfer such claim or right of action the Company, or at the Company's option, execute and deliver to the Company the customary form of loan receipt upon receiving an advance funds in respect of the loss or damage; and will subrogate the Company to, or will hold in trust for the Company, all such rights of action to the extent of the amount paid or advanced, and will permit suit to be brought in the Insured's name under the direction of and at the expense of the Company.

25. MISREPRESENTATION AND FRAUD:

This entire policy shall be void if, whether before or after a loss, the Insured has concealed or misrepresented any material fact or circumstance concerning this insurance or the subject thereof, or the interest of the Insured therein, or in case of any fraud or false swearing by the Insured relating thereto.

26. EXAMINATION OF RECORDS:

The Insured shall, as often as may be reasonably required during the term of this policy and for one (1) year thereafter, produce for examination by the Company or its duly authorized representative all the books and records, inventories and accounts relating to the property covered hereunder.

27. ABANDONMENT:

There can be no abandonment to the Company of any property.

28. CANCELLATION:

This policy may be canceled by the Insured by surrender thereof to the Company or any of its authorized agents or by mailing to the Company written notice stating when thereafter such cancellation shall be effective. This policy may be canceled by the Company by mailing to the Insured at the address shown in this policy or last known address written notice stating when, not less than fifteen (15) days thereafter, such cancellation shall be effective. The mailing of notice as aforesaid shall be sufficient proof of notice. The time of surrender or the effective date of the cancellation stated in the notice shall